

2 September 1977

The "New" Chinese Leadership

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1. The facts on the New Leadership. [redacted] NIO/CH)

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2. Forces of Cohesion in the Leadership. [redacted]
ORPA)

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3. Divisive Forces in the Leadership. [redacted] ORPA)

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4. Implications for the U.S. [redacted] ORPA)

Also attending: Don Andersor., Department of State

I. The Leadership of China

--Huge size of new party 7 million since 1973 - 35 million:
Russian party 16 million - Euro Communism - Italy 1.7 million,
France 550,000.

--44% CC are new members but old cadres' - 30% military ^{old wine new bottles} down
from 1973. Systematic approach: provinces fully represented.
MRS all there. 13 of 29 provincial bosses shifted since purge.
^{minorities - Uigher, Chuang & Mongols} Tibetans ^{Europe angle} haven't made it.

--Politburo is relatively old but party has 1/2 members
since GPCR. 44 - one and 85 one, most 50, 60, 70. Of 10 new
members 4 promoted to Politburo are 78, 75, 74, 73.

--All new members (10) are experienced leaders, no heli-
copters (Wang Hung-wen in 1973).

--Dominated by senior military leadership and rehabilitated
party veterans. Merit promotions not revolutionary zeal - speci-
alist rise in fields: Air Force, Planning, ^{Europe angle} For Affairs, Prov
Politics, Science.

--Two theoreticians in Politburo, economists, organizers,
Europe background up but most are still internalists, scientific
managers, soldiers 43%, 10-23 on politburo (caveat old ones).

--Continuity - all remaining previous politburo members and
alternates "reelected" save one token woman.

--The Standing Committee streamlined from 9 to 5. (Politburo
23 + 3). A certain neatness and balance.

--Hua Kuo-feng. Legal now. Teng says he is elected chairman.
Maoist and Mao legacy. Age: 56. Part man - internal affairs.

--Yeh Chien-ying. Chouist. Experience, military prestige.

Age: 79; frail health.

--Teng. Organization. S&T, military and foreign affairs.
Age: 73; mil, govt, party. [] says he is in
charge. A hard tough bargainer. s/y

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--Li. Chouist. Economic continuity and progress. Age: 70.

--Wang. Security - Maoist. Age; 61; Leap frogs up.
Peking masses associate him with anit-Teng forces along with
Chen Hsi-lien.

II. Reports to Congress

- No significant departure from previous Hua positions.
- Encompasses various viewpoints and reflects debates.
- Establishes an authoritative line but not an unambiguous one.
- Political stability and orderly econ growth.

Key Points

--Wages and productivity linked. Ideological incentives
don't work after campaigns and purges - lack of decisiveness in
management and cadres.

--GPCR begins and ends (a circle) - not repudiated but
distorted by G-4. Teng purged twice - 2 Mao heirs disgraced.

--Hostile to superpowers but tilts towards US.

--Mil modernization - but with expansion of civ. ind. sector.

--Purges-investigations but not disruptive. Keep a cool head.
Completed by this year or little later.

--Eight basic points of Hua were all domestic - a customary
pattern.

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-- four modernizations written into constitution []

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--Collective decision making - mass participation but managerial excellence. Extol diversity and ban dissent. Large scale enterprises do not lend self to participatory democracy.

--Teng's addendum.

"Less empty talk - more hard work"

"Minimum requirement is honest person in word and deed"

Shuns political rhetoric

--Mao is placed in perspective - glorify others as well.

Red Flag.

--Soviets are threat - US hegemony struggle - must accumulate capital - reasonable profit acceptable, G-4 against this - G-4 bad - therefore glorious duty is to increase profits.